



Health Reinsurance Association
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5172

Statement of Karl Ideman to the Insurance and Real Estate Committee
February 5, 2008

Regarding HB 5172: An Act Establishing the Connecticut Healthy Steps Program

My name is Karl Ideman and I am the Administrator of the Health Reinsurance Association (HRA) and the Connecticut Small Employer Health Reinsurance Pool (CSEHRP) here in Connecticut. I am also President of Pool Administrators Inc., a Connecticut small business. The HRA has been serving Connecticut's uninsured individuals as the insurer of last resort for more than 30 years and CSEHRP has provided reinsurance for Connecticut small employer insurers for over 17 years. The HRA and CSEHRP centralized pooling concepts were both created by statute in Connecticut and have become NAIC models for insurance market reform in more than 30 states.

While the HRA and CSEHRP Boards have not taken a formal position on HB 5172, I can say that the members of these Boards have always been interested in new and creative solutions to improving access and affordability in the individual and small employer markets. Having the HRA serve as the administrator of the Connecticut Connector program may be workable and if the Committee does intend to move this bill forward as a Committee bill we welcome the opportunity to work with you.

The objective of providing an efficient and economical mechanism to facilitate access to insurance for uninsured individuals and small employer groups makes sense. Achieving the objective can produce synergies from an integrated approach to innovative and affordable plan design, administrative simplification, and programmatic approaches to improve health outcomes. The subsidization of premium and the large scale pooling of selected risks should improve the realization of those synergies.

I would note that the HRA and CSEHRP are currently in the process of implementing the requirements of P.A. 08-33 which enables the HRA to offer special health care plans to small employers who have been uninsured for the previous 12 months. The program being designed will rely heavily on web-based technology which should reduce administrative costs significantly and help make the plan more affordable. The lessons learned in this program may be applicable if the HRA is asked to play a role regarding the Connecticut Connector program.

The program elements in the bill that involve HRA and CSEHRP would, of course, need to be adequately funded and staffed to ensure their successful implementation as well as to permit their continued ability to fulfill their mission. I can assure you that our board members, and our actuarial and legal committees supported by my senior staff will give this bill considerable attention.

I appreciate this opportunity to speak to you and welcome any questions you may have.